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# GAIN Report

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## India

### Oilseeds and Products

## GOI Notifies Changes in Edible Oil Tariff Values 2003

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**Report Highlights:**

In line with firm international palm oil markets, the Government of India (GOI) increased the tariff value on edible oils (except crude soybean oil).

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1]  
[IN]

In line with the continuing bullish trend in the international palm oil markets, the Government of India (GOI) increased the tariff value on palm oils (see notification No. 102 / 2003-CUS.(N.T.) dated 14th November, 2003, available online at <http://www.cbec.gov.in/cae/customs/cs-act/notifications/notfns-2k3/csnt102-2k3.htm>, as indicated in the following table:

Table 1: Revised Tariff Values on Edible Oils (\$/Ton)

Edible Oils	Revised	Old	Percent Change
Crude Palm Oil	504	472	6.8
RBD Palm Oil	543	503	8.0
Others - Palm Oil	542	484	8.1
RBD Palmolein	552	515	7.2
Crude Palmolein	532	497	7.0
Crude Soybean Oil	643	643	0.0

Note: Tariff values on CIF basis.

Percent changes in the revised tariff values for all the edible oils (except crude soybean oil) ranged between 7 and 8 percent compared with 9 to 11 percent changes during the earlier revision. This announcement is the third revision in the last four weeks with the earlier revisions being on October 17 and 29. Trade sources indicate that these changes are in line with the global palm oil price trends. Trade contacts further mentioned that the GOI is missing no chance to ensure better prices for local oilseed producers.

Since the reduction of the tariff differential between the crude and refined palm products to five percent, and the scrapping of 4 percent Special Additional Duty (SAD) applicable on refined palm oils on April 30, 2003, the domestic refiners have been demanding higher tariffs on refined palm oil products to keep their refining operations profitable. A week ago, the Ag Minister had also sent a memorandum to the Ministry of Finance requesting restoration of a larger tariff differential between refined and crude palm oil products. Though there has been no official response, a closer look at the current tariff values reveals that the tariff value differential between the crude (widely imported oil) and the refined palm oil has been increasing with every revision of the tariff values. This is occurring when real crude and refined edible oil prices always move on fixed margins. Thus, this increasing tariff value differential between the refined and crude palm oils may indicate that the tariff value mechanism is being used to realize a government objective without publicly announcing a new policy.